



August 18, 2005

Mr. Scott Brown
U. S. EPA Region 8
Montana Operations Office
10 West 15th Street, Suite 3200
Helena, Montana 59626

Ms. Suzanne Bohan
U.S. EPA Region 8
Mail Code 8ENF-L
999 18th Street, Suite 300
Denver, CO 80202-2466

Ms. Joan Bowsher
Administrator, Environmental Health Division
Lewis and Clark City-County Health Department
City County Building
316 North Park Box 1723
Helena, Montana 59624

Mr. David Dain
Environmental and Natural
Resources Division
U. S. Department of Justice
Box 7611
Washington, D.C. 20044

Ladies and Gentlemen:

Probably by now all of you are aware that on August 10, 2005 ASARCO filed a Chapter 11 Bankruptcy petition with the Bankruptcy Court in Corpus Christi, Texas. I am attaching a copy of the press release announcing this filing.

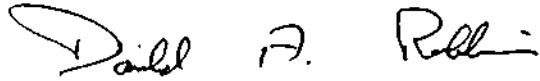
I am told by our bankruptcy attorney that while ASARCO may have obligations at various environmental cleanup sites pursuant to consent orders, the bankruptcy filing shields the company from paying any project costs for sites not owned by ASARCO until a reorganization plan is accepted by the court. In my view this protection would apply to the East Helena Residential Soil Cleanup Project as it relates to project components not covered by the Environmental Trust Fund. This clearly effects ASARCO's obligation to pay the Lewis and Clark County Health Department for services rendered in the community lead education and abatement program.

In the 2005 Trust Fund Budget a provision was included in the event ASARCO could not pay the Health Department. The provision provides that if the billing to ASARCO is older than 61 days the United States may in its sole discretion present such bills to the Trust for payment directly to the Health Department.

Those invoices received for work prior to August 10 that have not been paid by ASARCO and those yet to come will necessarily be ones that should be presented to the Trustee for payment. I assume that Scott Brown would be the appropriate individual to

forward these invoices to the Trustee. Should you have any questions on this letter, do not hesitate to give me a call at 602-977-6513.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald A. Robbins". The signature is fluid and cursive, with the first name "Donald" being the most prominent.

Donald A. Robbins
Director of Environmental Services

Cc: D, Silver
D. McAllister
T. Aldrich
C. Pfahl



FOR IMMEDIATE RELEASE
August 10, 2005
Contact: Joan Beckim (520) 798-7741

ASARCO Files Chapter 11 Reorganization

TUCSON, Arizona – ASARCO LLC (Asarco) announced today that it has filed a voluntary petition for Chapter 11 reorganization in the United States Bankruptcy Court in Corpus Christi, Texas. "Asarco has elected to seek protection under the bankruptcy laws for the benefit of all of its creditors and stakeholders," said Daniel Tellechea, CEO and President of the Company. "We are determined to complete our reorganization as quickly and smoothly as possible," Tellechea said.

"Asarco regrets any inconvenience that this decision may impose on its creditors and stakeholders," said Mr. Tellechea, "but we believe that the Chapter 11 process is the best way for the Company to reorganize its liabilities, reduce its operating costs and restructure its balance sheet in order to be viable in the long term."

"I have been asked, 'Why now?'" said Mr. Tellechea. "Creditors and labor unions may mistakenly believe that Company operations have returned to profitability, given currently high copper prices. But in fact we are still recovering from the last long downturn in the copper market. A number of factors have combined to overwhelm us, including historical asbestos and environmental liability, high cost pension and health benefits plans, the current labor strike and the downgrading of the Company's debt rating. Because of these factors, Asarco has some of the highest cost operations in the copper industry. By filing chapter 11 now, Company management can act to protect jobs, reduce costs and preserve Asarco's long-term viability," Tellechea added.

-more-

Approximately 95,000 asbestos-related personal injury claims are pending against Asarco and/or two of Asarco's non operating subsidiaries that historically engaged in asbestos mining and cement pipe manufacturing. Asarco's asbestos-impacted subsidiaries voluntarily filed for chapter 11 last April in Corpus Christi to take advantage of the Bankruptcy Code's special provisions for asbestos-related liabilities. In addition, Asarco is a party in numerous consent decrees and lawsuits brought by federal and state environmental authorities and private entities as a result of the Company's lead, zinc, cadmium, arsenic and copper mining, smelting and refining operations over the last 106 years.

"A three-year standstill agreement with the federal government on environmental remediation obligations, negotiated in 2003, ends in early 2006," said Mr. Tellechea. "Although the deadline is several months away, we are already feeling increased pressure to meet additional remediation demands. Global settlement of our historical environmental liability has not been possible, leaving Asarco without legal or economic certainty," he concluded.

In June 2004, Asarco began negotiating new collective agreements with union officials, which include health and pension benefits. The Company has sought concessions to reduce costs in order to achieve long-term profitability. Approximately 1500 hourly employees in Arizona and Texas commenced a strike over the July 4th holiday weekend as part of the unions' negotiating strategy. Asarco's facilities presently are producing copper on a reduced basis with the help of salaried and some hourly employees. "We hope our hourly employees return to work so that Asarco can improve its existing financial position and continue operating," Mr. Tellechea said.

-more-